

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7103**

**BILL NUMBER:** HB 1200

**NOTE PREPARED:** Apr 29, 2005

**BILL AMENDED:** Apr 27, 2005

**SUBJECT:** Solid Waste District Boards, Conservancy Districts and Campground Sewage Rates.

**FIRST AUTHOR:** Rep. Thompson

**FIRST SPONSOR:** Sen. Lawson

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill contains the following provisions:

*Campground Sewage Rates:* The bill provides that: (1) if a campground elects to be billed for sewage service by use of a meter, the rate charged by a district board for the metered sewage service may not exceed the rate charged to residential customers for equivalent usage; and (2) if a campground does not install a meter and is billed for sewage service at a flat rate, each campsite at a campground may not equal more than 1/3 of one resident equivalent unit. It establishes a minimum monthly charge for campgrounds that elect to be billed by use of a meter. The bill also allows a campground to file with the Indiana Utility Regulatory Commission a request for review of a disputed matter with a district board to be conducted by the Commission's Appeals Division.

*Conservancy Districts:* This bill adds provisions regarding dissolution of a smaller conservancy district and the assumption of the operations, obligations, and assets of the smaller district by a larger contiguous conservancy district that shares a common purpose with the smaller district.

*Solid Waste District Boards:* The bill extends the period in which a solid waste management district that owns its own landfill must file a report with the State Board of Accounts. It exempts a district from the requirement that the fiscal body of a county in which a district is located must approve the use of certain property tax revenue within the district if the district: (1) owns a landfill; (2) will use property tax revenue to construct a new landfill cell or close a landfill cell at the landfill; and (3) has received approval from the county fiscal body to construct or close the landfill cell. The bill also requires certain solid waste landfills that accept only construction\demolition waste to comply with setback requirements concerning public schools established by

the solid waste management board for municipal solid waste landfills.

**Effective Date:** Upon passage; January 1, 2005 (retroactive); July 1, 2005.

**Explanation of State Expenditures:** *Campground Sewage Rates:* This provision would require the IURC to investigate a dispute between a campground and a regional sewage district board and issue a final decision on the matter. Depending on the number of review requests received by the IURC, this provision could increase the use of personnel resources.

*Penalty Provision:* Any person who intentionally, knowingly, or recklessly violates environmental management laws commits a Class D felony. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

**Explanation of State Revenues:** *Landfill Setbacks:* Anyone who violates a provision related to environmental management laws may be assessed a civil penalty of up to \$25,000. Revenue from civil penalties issued for violating environmental laws is deposited in dedicated funds depending on the nature of the violation.

*Penalty Provision:* Also, any person who intentionally, knowingly, or recklessly violates environmental management laws commits a Class D felony. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class D felony is \$10,000. However, any additional revenues would likely be small.

**Explanation of Local Expenditures:** *Conservancy Districts:* It establishes procedures for the dissolution of certain conservancy districts. Combining conservancy districts could affect expenditures. The impact will depend on local action and the number and nature of the dissolutions. Conservancy districts may be funded through property tax levies.

*Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

**Explanation of Local Revenues:** *Campground Sewage Rates:* Currently, a regional sewage district bases the number of resident equivalent units for monthly campgrounds' sewer bills on the one week of the year having the highest meter reading. This provision makes it so that if a campground installs a meter, the rate charged for usage may not exceed the rate charged to residential customers and the amount charged between September 1<sup>st</sup> and May 31<sup>st</sup> must equal the greater of either the actual amount of sewage measured during that time or the lowest monthly charge paid between June 1<sup>st</sup> and August 31<sup>st</sup>. If a campground does not install a meter, the flat rate for usage may not equal more than one-third of one resident equivalent unit. Either of these provisions could result in a decrease in monthly sewage charges received by a regional sewage district.

*Solid Waste District Boards:* According to current statute, solid waste management district boards must provide the county fiscal bodies within its district identical resolutions seeking approval for the use of property tax revenue in a year when the board seeks to increase its portion of the tax rate by more than 5%. This bill

exempts solid waste management districts who own a landfill from this requirement, however, approval of the county in which the landfill is located must be received. This provision could make it easier for the board to exercise its current taxing authority.

*Background:* Bartholomew County Solid Waste Management District was the only district owning and operating a landfill as of September 2004. Monroe County Solid Waste District owned and operated its own landfill until early August 2004 when it was closed to the public. Both districts consist of only one county each.

The Bartholomew County Solid Waste Management District's tax levies over the past ten years are provided in the following table. The years in which the tax levies increased by five percent or more are bolded.

Year Tax Paid	Tax Levy	Percent Change from Previous Year
2004	\$557,929	0.9%
2003	\$553,062	-1.9%
2002	\$563,525	-0.4%
<b>2001</b>	<b>\$566,060</b>	<b>77.2%</b>
2000	\$319,437	-62.1%
1999	\$843,699	-22.9%
1998	\$1,094,097	-1.4%
1997	\$1,109,315	-2.0%
<b>1996</b>	<b>\$1,131,555</b>	<b>87.6%</b>
1995	\$603,312	-45.2%
1994	\$1,100,498	

*Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, the amounts would likely be small.

**State Agencies Affected:** Indiana Utility Regulatory Commission; Department of Correction

**Local Agencies Affected:** Conservancy districts; Bartholomew County Solid Waste Management District; trial courts, and local law enforcement agencies.

**Information Sources:** Fiscal Year 2003-2004 Close-Out Statement, State Budget Agency; State of Indiana HRM Detail Staffing Report; Association of Solid Waste Management Districts; Local Government Database.

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